

## **EX PARTE**

February 3, 2006

## VIA ELECTRONIC FILING

Marlene H. Dortch, Secretary Federal Communications Commission 445 12<sup>th</sup> Street, S.W. Washington, D.C. 20554

Re: Notice of Ex Parte Presentation by Level 3 Communications, LLC

Developing a Unified Intercarrier Compensation Regime, CC Docket 01-92

Dear Ms. Dortch:

Pursuant to Section 1.1206(b)(2) of the Commission's Rules, Level 3 Communications, LLC ("Level 3") submits this notice of ex parte presentations made in the above-captioned proceeding. On February 1, 2006, Bill Hunt, Vice President – Public Policy of Level 3, met with Tamara Preiss, Don Stockdale, Steve Morris, Randy Clark, Christopher Barnekov and Jay Atkinson of the Wireline Competition Bureau. On February 2, 2006, Bill Hunt and Adam Kupetsky of Level 3, along with John Nakahata, outside counsel for Level 3, had separate meetings with (1) Michelle Carey, Legal Advisor to Chairman Martin; (2) Ian Dillner, Legal Advisor to Commissioner Tate; and (3) Jessica Rosenworcel, Legal Advisor to Commissioner Copps. On February 3, 2006, Bill Hunt met with Scott Bergmann, Legal Advisor to Commissioner Adelstein.

During these meetings, Level 3 made the following points:

- Level 3 is interested in making sure that competing companies are subject to and comply with the same set of rules. To the extent that so-called "phantom traffic" allows some carriers to avoid paying terminating access charges paid by similarly-situated competitors such as Level 3, the Commission should clarify its rules to prohibit such conduct.
- According to Level 3's experience, what some companies call "phantom traffic" consists largely of (a) local traffic destined for a rural carrier end user and routed through an ILEC tandem; (b) wireless traffic destined for a CLEC or rural LEC end user and routed through an ILEC tandem; or (c) IP-originated traffic that originates without a telephone number.
- Such "phantom traffic" may result from technical issues such as the inability of a carrier to read or use SS7 signaling containing calling party number ("CPN") or

calling number ("CN"). Although the Commission should not implement rules requiring large investments that would provide only short-term benefits, proposals by Verizon and USTelecom would provide for continued technical exceptions to CPN signaling rules, resulting in only a partial solution to the "phantom traffic" problem. To the extent that rural carriers are unable to bill and collect for traffic due to these technical limitations, they should have the incentive to upgrade their signaling systems to capture such information.

- In some cases, terminating carriers are unable to classify traffic because the traffic originates on the Internet and therefore lacks CPN or CN. For example, the caller may use an online service that allows outbound (but not inbound) calling. The Commission should reject proposals to subject such traffic, which validly lacks CPN or CN, to intrastate or interstate access charges through a "phantom traffic" solution. Such a back-door means of resolving IP-enabled services issues would prejudge and undermine existing efforts to reform the intercarrier compensation mechanisms.
- These "phantom traffic" issues are separate from the intentional masking of calls by companies that fail to include or transmit the true CPN or CN in the call signaling, or that manipulate or strip CPN or CN from calls they receive as intermediate companies. Level 3 supports efforts to tighten and enforce the Commission's rules to require all providers to include in the signaling stream the CPN and CN of callers that have a CPN or CN, and to require intermediate providers to pass (without manipulation or additions) the CPN and CN that it receives.

Please do not hesitate to contact me with any questions about this matter.

Sincerely,

/s/ Adam Kupetsky

Adam Kupetsky Regulatory Counsel

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